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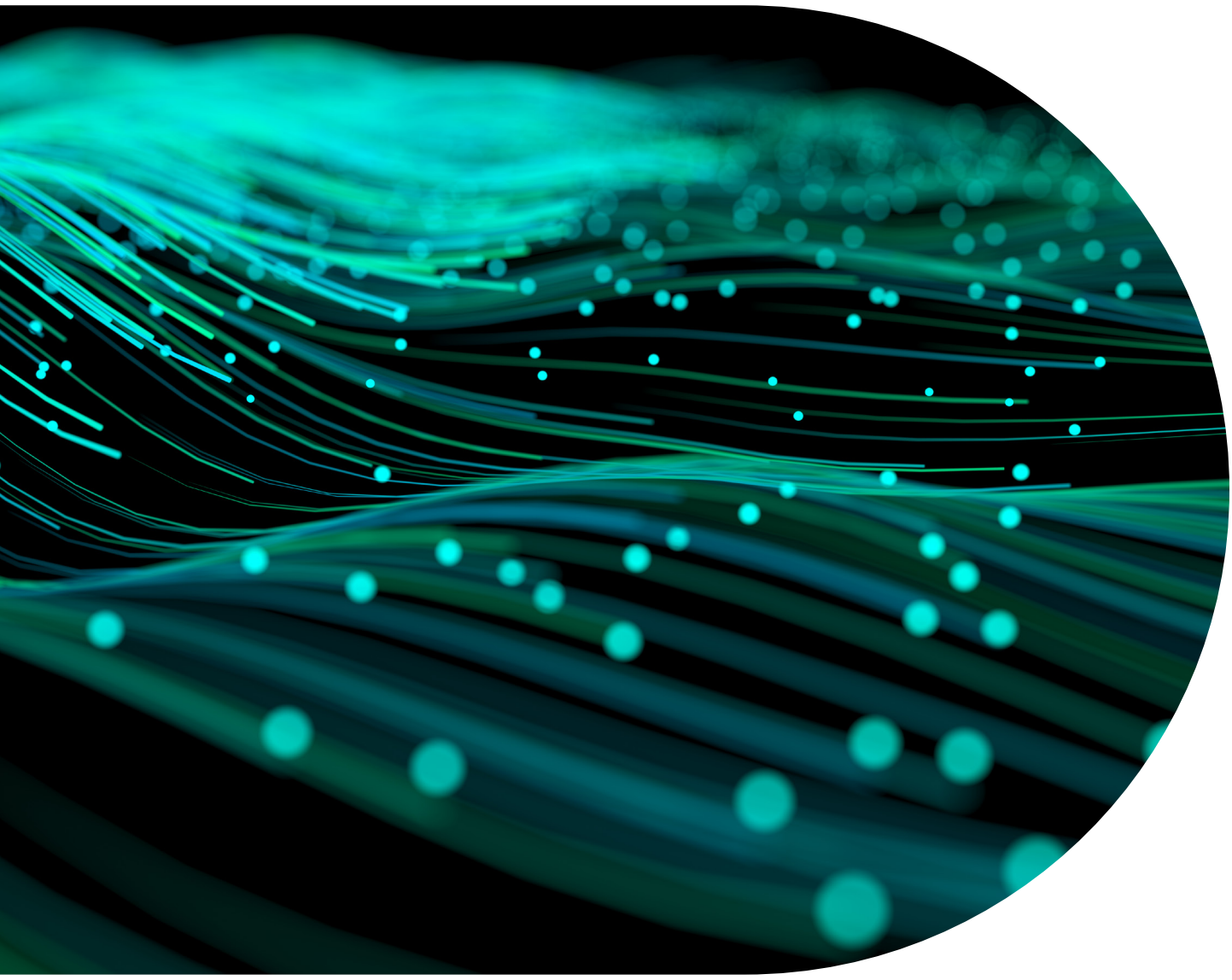
The Impact of Prior Claim Constructions Since the PTAB Adopted the Same Claim Construction Standard as Other Courts



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In 2018, the Patent Trial and Appeal Board aligned its claim construction standard in post-grant proceedings with the standard applied by the federal courts and the International Trade Commission. Greater consistency was the goal, but since the realignment, questions have surfaced about how to deal with terms previously construed by other courts under the same standard.

In this paper, we look at the Patent Trial and Appeal Board's revised regulations and recent decisions relating to prior constructions to identify strategies for post-grant practitioners to achieve desired outcomes.

The Impact of Prior Claim Constructions Since the PTAB Adopted the Same Claim Construction Standard as Other Courts

Nearly three years ago, the Patent Trial and Appeal Board (PTAB) replaced the broadest reasonable interpretation claim construction standard previously used in post-grant proceedings such as *inter partes* reviews (IPRs) with the same claim construction standard long used by the federal courts and the International Trade Commission (ITC). 37 C.F.R. § 42.100(b); Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 51340 (Oct. 11, 2018) (37 C.F.R. pt. 42). The change was intended to "reduce the potential for inconsistency" when the PTAB, the courts, and the ITC interpret the same or similar claim terms. *Id.* at 51343. But what has happened since? Here we examine how the PTAB has reacted to prior constructions from other courts.

Background on Claim Construction Standards

As of November 13, 2018, the PTAB, the federal courts, and the ITC have all applied the same claim construction standard based on *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005). Under that standard, each tribunal considers intrinsic evidence (the language of the claims, the specification, and the prosecution history), as well as extrinsic evidence (e.g., expert testimony and dictionaries), when construing claim terms. 83 Fed. Reg. at 51343.

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The alignment in standards was accompanied by other changes to ensure potential claim construction consistency. The U.S. Patent and Trademark Office (Patent Office) altered its regulations to make clear that "[a]ny prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the *inter partes* review proceeding will be considered." 37 C.F.R. § 42.100(b). Even so, the Patent Office rejected the suggestion that the PTAB should defer to prior claim constructions from other courts, noting only that the PTAB should give them "appropriate weight." 83 Fed. Reg. at 51355. The PTAB considers the following exemplary factors in determining the "appropriate weight" to give a prior construction:

- "the similarities between the record in the district court or the ITC and the record before the Board";
- "whether the prior claim construction is final or interlocutory";
- "whether the terms construed by the district court or ITC are necessary to deciding the issues before it"; and
- "the facts and circumstances of each case."

Source: *Patent Trial and Appeal Board Consolidated Trial Practice Guide* (Trial Practice Guide) at 47 (Nov. 2019).

The PTAB's shift in claim construction standard, and the Patent Office's revised regulations and comments about prior constructions, raise questions about how much weight the PTAB has given to earlier constructions since November 2018, including how it has applied the factors outlined above. We delved into PTAB decisions to find out.

The PTAB Frequently Adopts Prior Constructions

The PTAB has often agreed with earlier district court or ITC claim constructions. IPR opinions show how the PTAB reaches that conclusion. A few trends are worth noting.

First, since the PTAB adopted the *Phillips* claim construction standard, it has repeatedly expressed concerns about issuing claim constructions that are inconsistent with prior constructions from district courts or the ITC. As the PTAB put it, a lack of uniformity in claim constructions would "undermine the 'predictability'" of a patent's claim scope, as well as the "'integrity of the patent system' overall." *Kiosoft Techs., LLC v. PayRange, Inc.*, IPR2021-00086, Paper 12 at 16 (PTAB Mar. 22, 2021) (petitioner and its expert advocated for different constructions at the district court and the PTAB) (quoting 83 Fed. Reg. at 51342); *see also Google LLC v. Virentem Ventures, LLC*, IPR2019-01247, Paper 34 at 11 (PTAB Mar. 5, 2021) (rejecting patent owner's proposed construction in part because it would result in "construing the claims in a manner inconsistent with the District Court"). Put another way, inconsistent constructions could lead to divergent findings about a patent's validity in different legal forums, creating uncertainty and undermining confidence in the patent system. Even when the PTAB has adopted a construction that differs from a prior one, it has still considered the issue of consistency. *Netflix, Inc. v. Uniloc 2017 LLC*, IPR2020-00044, Paper 24 at 11 (PTAB Apr. 20, 2021) (examining district court's prior construction and determining IPR construction "is consistent").

> Since the PTAB adopted the Phillips claim construction standard, it has expressed concerns about adopting positions inconsistent with those taken by district courts or the ITC.

In one proceeding, where the U.S. Court of Appeals for the Federal Circuit had affirmed a prior district court construction, the PTAB felt "compelled to construe the[] terms consistent" with that construction. *Ford Motor Co. v. Mass. Inst. of Tech.*, IPR2021-00341, Paper 10 at 25 (PTAB July 2, 2021). The drive for consistency has even led the PTAB to adopt a district court's construction despite reservations about limiting claim language based on the specification, in part because the PTAB is "obligated to apply the same *Phillips* standard." *Semiconductor Components Indus., LLC d/b/a ON Semiconductor v. Power Integrations, Inc.*, IPR2018-01811, Paper 11 at 10-14 (PTAB May 13, 2019).

As reflected in the decisions described below, the PTAB is particularly reticent to depart from prior claim constructions when neither party disputes them or when parties advocating alternatives fail to support their positions.

Google LLC v. Uniloc 2017 LLC, IPR2020-00479, Paper 10 at 20-21 (PTAB Aug. 13, 2020) ("Neither party challenges the Texas court's claim construction and we see no reasons, at this stage of the proceeding, to disagree with them."); and

3Shape A/S v. Align Tech., Inc., IPR2020-00223, Paper 12 at 15 (PTAB May 26, 2020) (adopting claim constructions from ITC investigation and noting "Patent Owner [did] not provide[] any arguments or contrary evidence as to why" they should not be adopted).

Citing its obligation under 37 C.F.R. § 42.100(b) to consider prior claim constructions, the PTAB has recognized that a petitioner "needs to explain why [the PTAB] should depart from those constructions." *3Shape A/S v. Align Tech., Inc.*, IPR2020-00222, Paper 12 at 14 (PTAB May 26, 2020) (rejecting constructions that petitioner proposed in an ITC investigation and, "without further explanation," adopted in an IPR, even though the ITC had rejected those proposed constructions). Similarly, in a decision under the broadest reasonable interpretation standard, the PTAB faulted a petitioner for failing "to address substantively" a district court's construction and "reconcile its proffered claim construction" with its "very different" construction argued to and adopted by the district court. *OrthoPediatrics Corp. v. K2M, Inc.*, IPR2018-01548, Paper 9 at 11 (PTAB Mar. 1, 2019). In that proceeding, the PTAB concluded that the petitioner failed to meet its burden of showing a reasonable likelihood of prevailing in the IPR. Id.

Second, the PTAB has also adopted prior district court or ITC claim constructions after examining and then endorsing the reasoning behind those constructions. In some cases, the PTAB has quoted the district court's or ITC's reasoning and simply noted agreement, adopting the same construction. *E.g., Google LLC v. Virentem Ventures, LLC*, IPR2019-01244, Paper 14 at 15 (PTAB Jan. 28, 2020) ("We find this reasoning persuasive and adopt the construction of 'guidance information' that the District Court adopted."); *see also Bayerische Motoren Werke Aktiengesellschaft v. Paice LLC*, IPR2020-01299, Paper 10 at 11-12 (PTAB Jan. 15, 2021) (quoting district court's reasoning but adding an observation about claim differentiation).

In other instances, as described in the decisions below, the PTAB has assessed evidence like the patent specification and expert opinions more closely before concluding prior constructions are correct.

MediaTek Inc. v. Nippon Tel. & Tel. Corp., IPR2020-01607, Paper 12 at 25 (PTAB Apr. 2, 2021) ("As discussed above, the District Court construction is supported by the Specification and plain and ordinary meaning of the claim language and is adopted for purposes of this Decision as our preliminary construction.");

Commscope Techs. LLC v. Dali Wireless Inc., IPR2020-01466, Paper 16 at 9 (PTAB Feb. 9, 2021) (adopting district court construction as consistent with claim language and specification and rejecting patent owner's proposed construction as reading in claim elements);

Lab. Corp. of Am. Holdings v. Quest Diagnostics Invs. LLC, IPR2019-00738, Paper 36 at 10-11 (PTAB Sept. 1, 2020) (agreeing with and adopting district court construction after assessing the specification and expert testimony); and

Samsung Elecs. Co. v. Neodron Ltd., IPR2020-00267, Paper 7 at 10 (PTAB June 8, 2020) (adopting ITC construction as "consistent with the ordinary and customary meaning of the term, in light of the '173 patent disclosure").

Note, however, that when the PTAB has adopted prior constructions, it also sometimes underscores that its construction is preliminary and invites the parties to provide additional arguments during an IPR. *Semiconductor Components*, IPR2018-01811, Paper 11 at 14.

The PTAB Has Disagreed With or Elaborated on Prior Constructions

Notwithstanding the universal claim construction standard, the PTAB is not bound by prior constructions. A few decisions indicate that the PTAB can find a prior construction wanting and adopt something different.

To begin, the PTAB has deviated from prior constructions that violate the basic rules of claim construction. In one example, the PTAB modified an earlier construction adopted by a district court, as well as the PTAB, to delete certain phrases. *Juniper Networks, Inc. v. Packet Intel. LLC*, IPR2020-00486, Paper 20 at 27-30 (PTAB Sept. 10, 2020). The PTAB concluded that those phrases were "merely exemplary and non-limiting" and suggested the truncated construction was clearer and more consistent with the specification. *Id.* at 30. In a second example, the PTAB refused to adopt an earlier ITC construction because it suffered from several flaws. *Renesas Elecs. Corp. v. Broadcom Corp.*, IPR2019-01040, Paper 9 at 11-16 (PTAB Nov. 13, 2019). The construction created "unnecessary redundancy that would add uncertainty to the claim." *Id.* at 11. It also "improperly import[ed] a limitation from the Specification," excluding a preferred and claimed embodiment. *Id.* at 12-14. While the ITC had rejected the same construction the PTAB eventually adopted, the PTAB disagreed with the ITC's reasoning, citing the specification as support. *Id.* at 14. The PTAB also disagreed with the ITC's finding that the patent applicant had clearly disavowed claim scope. *Id.* at 12, 15.

> Prior constructions from other courts based on the *Phillips* claim construction standard do not bind the PTAB.

Further, true to the Trial Practice Guide, the PTAB has considered the record supporting a prior claim construction. Trial Practice Guide at 47. In one proceeding, the PTAB construed the term "presentation rate" differently than a district court because of variation between the claim construction records in the two proceedings. *Virentem*, IPR2019-01247, Paper 34 at 12-13. Specifically, the PTAB explained that although the parties had agreed to the construction in the district court, they disagreed about the proper construction in the IPR. *Id.* at 13. Based on the patent specification and expert testimony, the patent owner argued that "presentation rate" includes the concept of "time scale modification" and the prior art lacked that feature. *Id.*, Paper 24 at 17, 41-46, 54-56, 63. The petitioner argued that the patent owner's construction improperly imported a limitation, citing deposition testimony from the patent owner's expert. *Id.*, Paper 27 at 1-2. The disagreement was enough to merit an independent analysis by the PTAB, which decided to depart from the district court's construction for "presentation rate." In another proceeding, while a district court had construed a term based on competing constructions and related evidence, during the IPR neither party identified any term for construction—so there was no claim construction record at the PTAB and no need for the PTAB to address the term construed by the district court. *Ability Opto-Electronics Tech. Co. v. Largan Precision Co.*, IPR2020-01345, Paper 11 at 16-17 (PTAB Feb. 22, 2021). Thus, where a claim construction record is lacking or underdeveloped, the PTAB will generally give little weight to a district court claim construction.

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The degree of detail in a prior claim construction decision also matters to the PTAB. If the district court fails to "provide[] any opinion, reasoning, or explanation supporting [its] constructions," the PTAB does not hesitate to deviate from them. *Micron Tech., Inc. v. Godo*

Kaisha IP Bridge 1, IPR2020-01007, Paper 19 at 10 n.4 (PTAB Feb. 2, 2021). Relatedly, when a district court adopts "plain and ordinary meaning" for a claim term without specifying what that is, the PTAB has taken the next step to provide more detail. *Micron Tech., Inc. v. Unification Techs. LLC*, IPR2021-00345, Paper 9 at 14-16 (PTAB July 19, 2021) ("It remains for us to determine what a person of ordinary skill in the art would consider to be the term's ordinary and customary meaning, in light of the patent disclosure."); *Bumble Trading Inc. v. Match Grp. LLC*, IPR2019-01538, Paper 13 at 20-21 (PTAB Mar. 11, 2020) (adopting district court's "ordinary and customary meaning" construction for "graphical representation" while noting that meaning is "not necessarily" limited to a "pictorial portrayal").

When the PTAB departs from or adds to a prior construction, it sometimes invites the parties to continue addressing claim construction issues throughout the IPR. *Unification*, IPR2021-00345, Paper 9 at 16-17.

The PTAB Has Found It Unnecessary to Address Prior Constructions

In many IPR proceedings, the PTAB has avoided prior constructions altogether by concluding that interpreting previously construed terms was unnecessary to resolving disputes. This approach finds support in the Trial Practice Guide, which notes that the PTAB can consider whether construing terms subject to prior constructions is "necessary to deciding the issues before it." Trial Practice Guide at 47. The PTAB has used this approach often to sidestep party requests to adopt prior constructions. The decisions below provide a few examples.

Huawei Techs. Co. v. WSOU Invs., LLC, IPR2021-00228, Paper 9 at 20 (PTAB June 10, 2021) ("we find it unnecessary to construe any claim term expressly to resolve the disputed issues before us");

Ability, IPR2020-01345, Paper 11 at 16-17 (giving "little weight" to prior constructions where neither party identified terms for construction and "no claim terms require express construction in order to determine whether or not to institute *inter partes* review");

Ameristar Perimeter Sec. USA, Inc. v. RSA Protective Techs., LLC, IPR2020-01369, Paper 11 at 34 (PTAB Feb. 5, 2021) ("we need not expressly construe any claim terms to resolve the parties' disputes on the current record"); and

LG Elecs. Inc. v. Cywee Grp. Ltd., IPR2019-00559, Paper 21 at 16 (PTAB July 12, 2019) ("we need not construe claim terms unless they are material to resolving the disputed issues").

Practice Tips: Lessons From the PTAB's Approach to Prior Constructions

The PTAB's decisions relating to prior constructions yield several lessons both for IPR practitioners seeking to adopt a district court's claim construction and for those seeking a different construction in the PTAB. The PTAB will not necessarily apply a prior construction in a later IPR proceeding. Accordingly, all is not lost for a party dissatisfied with an earlier construction, nor can a party advancing such a construction count on an easy victory. The tips below focus on strategies for reinforcing or avoiding a prior construction.

Key Practice Tips

EXPLAIN YOURSELF

A party must recognize that arguing for a construction that differs from one adopted by a district court or the ITC presents a challenge. The PTAB puts the burden on the party proffering an alternative to explain why the PTAB should depart from a prior ruling. That will require more than simply adopting a different construction without addressing a prior one. The party advocating an alternative should fully explain why the alternative is appropriate under the circumstances and address the prior construction head-on. Moreover, it is important to:

1. Identify and attack weaknesses in the reasoning behind a prior construction (or point out that there was no reasoning); and
2. Accentuate helpful intrinsic and extrinsic evidence that the district court or the ITC may have ignored or given short shrift.

Such arguments provide the PTAB with justification for departing from a previous claim construction.

On the other hand, if a party is satisfied with a prior construction, it should emphasize the danger of inconsistent determinations and extol the soundness of the supporting rationale for the construction. These arguments are likely to resonate with the PTAB. Furthermore, a party pleased with a prior construction should emphasize during briefing that an opposing party has not explained sufficiently why the prior construction is deficient.

In any event, parties should consider explaining how the prior art taught (or did not teach) the challenged claims under all proposed and existing constructions because the PTAB will at least consider prior district court or ITC claim constructions. Parties that do not address all proposed and existing constructions risk losing a chance to advocate for a favorable outcome even under a construction they disagree with.

REMEMBER FIRST PRINCIPLES

When arguing for or against a prior construction, parties should anchor their arguments to basic claim construction rules. The canons of claim construction bind the PTAB, just as they do the district courts and the ITC. Remember that the PTAB deals exclusively with patent law, which it knows well. Consistency with the claim language and specification is paramount and, given the PTAB's level of patent expertise, detailed arguments based on file history might be better received than they would be in a district court or the ITC. Further, pitfalls like importing limitations from the specification into the claims and excluding preferred *(cont'd)*

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Key Practice Tips

embodiments should be avoided. Convincing the PTAB that a prior construction contradicts a basic tenet of claim construction is an effective way to evade that construction, if unfavorable. Conversely, showing that a prior construction abides by the same rules is likely to result in the PTAB adopting it.

COMPARE THE RECORDS

The PTAB has relied on differences between the records in earlier legal proceedings and in an IPR to reject a prior construction. Even at the institution phase, an IPR record often includes additional evidence and analysis applying the proposed constructions to the prior art at issue. Or perhaps the claim construction record in the district court or the ITC is more developed than the record at the PTAB. If a party favors the prior construction, it should emphasize that the claim construction evidence and arguments are the same in the IPR as they were in the earlier legal proceeding. The same circumstances should lead to the same results. To the contrary, a party opposing a prior construction should identify differences in the record, whether procedural or substantive, and argue that those differences require a second look at the issues.

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SEEK MORE DETAIL

If the district court or the ITC issues a prior claim construction or adopts plain and ordinary meaning without sufficient explanation, it may be possible to convince the PTAB to accept a different construction. This approach could benefit a party not only in the IPR, but also in the district court or the ITC. A more detailed construction from the PTAB could influence the thinking of those other tribunals.

AVOID THE ISSUE

It may be strategically wise for a party to maintain the status quo by urging the PTAB not to address a prior construction. To accomplish that objective, the party should argue that a term construed by the district court does not need construction to resolve the patentability disputes before the PTAB. If the PTAB agrees, it is unlikely to weigh in on the prior construction. This tactic prevents muddying the waters for an already favorable prior construction.

As described above, the PTAB's recent decisions provide insights into how parties to an IPR can leverage or undermine a prior claim construction. The PTAB will continue to adjust to use of the *Phillips* claim construction standard in the years to come, making this an important topic for any IPR practitioner.

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